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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

New Caledonia

Working paper prepared by the Secretariat*

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* This document was submitted on 31 March 2009 to allow for inclusion of up-to-date translated information about the Territory.

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I. General

1. New Caledonia,[1] a Non-Self-Governing Territory administered by France, which France considers as a French overseas sui generis community specifically governed by Chapter XIII of the French Constitution, is located in the Pacific Ocean, 1,500 kilometres east of Australia and 1,700 kilometres north of New Zealand. It comprises one large island, known as Grande Terre, and smaller islands known as the Loyalty Islands and smaller islands known as Loyalty Islands (Ouvéa, Maré, Lifou and Tiga), the Bélep Archipelago, the Isle of Pines and Huon Islands. There are also several uninhabited islands to the north of the Loyalty Islands. The area of Grande Terre is 16,750 square kilometres, and that of the Territory is 19,103 square kilometres. Nouméa, the capital, is located in the south of Grande Terre. The Territory is divided into three provinces, North and South (on Grande Terre and the Isle of Pines) and the Loyalty Islands. The official language is French and about 28 Kanak vernacular languages are spoken.[2]

2. In August 2004, a census completed by the French National Institute of Statistics and Economic Studies placed the population of New Caledonia at 230,789, an increase of 33,953, or 14.7 per cent in the eight years since the last census in 1996.[3] A more recent estimate assesses the population at 244,410 inhabitants as at 1 January 2008.[3] The 2004 census, which focused on regional groupings of the population as opposed to ethnic groupings, provoked controversy and incited a boycott by mainly indigenous parties or groups, including the Front de libération national Kanak socialiste (FLNKS) and the Union for Kanak and Exploited Workers (USTKE), dissatisfied with the omission of questions regarding ethnicity. According to information provided by the administering Power, ethnic data may be reintroduced in the 2009 census,[4] which would allow the inhabitants of New Caledonia to identify themselves as belonging to a certain ethnicity. These data will constitute a tool for measuring the effects of rééquilibrage, that is, the redressing of a balance among the provinces, as the basis for the New Caledonian institutional process.

3. The most recent official information on ethnicity thus dates from the 1996 census, in which persons were asked to choose the community to which they felt they belonged, from a number of given categories. The population comprised Melanesians, mainly indigenous Kanaks (44.1 per cent); persons of European origin, mainly French (34.1 per cent); Wallisians (9 per cent); Tahitians (2.6 per cent); Indonesians and Vietnamese (2.5 per cent); and populations qualified by Institut de la statistique et des études économiques (ISEE) as "others" (7.7 per cent). In the 2004 census, almost half the population at that time was reported to be under 29 years of age.[5]

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[1] *Note*: The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[2] http://www.toulangues.org/dossiers/dossiers.php?val=65_les+langues+kanak, 20 October 2008.

[3] Bilan démographique 2008 de l'Institut de la statistique et des études économiques (ISEE).

[4] The collection of such data is legal under Law No. 78-17 of 6 January 1978, as amended, and is considered desirable by virtually all political leaders in New Caledonia.

[5] http://www.isee.nc/recenspop/telechargement/p01-04.xls, 13 October 2008, http://www.isee.nc/chiffresc/chiffresc.html.

4. Although there has been a measurable increase in New Caledonia's population since 1996, the relative geographical demographics have remained essentially unaltered, with the majority of the population (approximately 70 per cent) living in the South Province, mainly around the greater Nouméa area, approximately 20 per cent in the North Province, and approximately 10 per cent in the Loyalty Islands. In 1996, the native Kanak population made up almost 78 per cent of the population of the North Province and 97 per cent of the population of the Loyalty Islands, but only 25.5 per cent of the population of the South Province. With respect to the Territory's second largest population group, persons of European origin, 89 per cent live in the South Province.

5. The characteristics of New Caledonia's economy and employment, as well as current efforts to implement a policy of redressing economic and social imbalances between the South Province (which is more developed in such sectors as infrastructure, economy, employment and education), and the less developed North Province and Loyalty Islands Province, which are less developed in these sectors, are described in section III below.

II. Constitutional, political and legal issues

A. Recent developments

6. Following the acceptance of the Nouméa Accord by the people of the Territory by referendum and the codification of its provisions into French law, New Caledonia is no longer considered an Overseas Territory of France. Instead, the Government of France describes it as a community sui generis, which has institutions designed for it alone to which certain non-revocable powers of State will gradually be transferred. Details on the political and legislative aspects of the Nouméa process and on the new institutional arrangements are contained in the 2005 report (see A/AC.109/2005/13, paras. 6-10, and 30 and 31).

7. For many years, the party system in New Caledonia was dominated by the anti-independence RPCR (Rassemblement pour le Calédonie dans la République), since renamed Rassemblement-UMP (Union pour un mouvement populaire). This dominance by one party ended just months prior to the Caledonian general elections in May 2004, with the emergence and electoral success of a new party, l'Avenir Ensemble (AE).[6] Like the then RPCR, the AE party oriented itself as opposed to complete independence from France, but is seen as being more favourable towards consensus and dialogue with the pro-independence movement, and supportive of full implementation of the Nouméa Accord. The indigenous movement is mainly represented by FLNKS, a coalition of several pro-independence political parties that consider the Nouméa Accord as a process of emancipation that must ultimately lead to independence.

8. In November 2007, the Union for Kanak and Exploited Workers (USTKE), mainly Kanak, formed a new political party called the Labour Party. Staunchly pro-independence in nature, the party has focused its political platform on the complete application of the Nouméa Accord, particularly with regard to the rights of the Kanak people and the right to self-determination, and on the need to take into

[6] Administering Power, "*L'évolution de la Nouvelle Calédonie en 2004*".

account the situation of the Kanak workers as well as workers of other communities, especially in view of the inequality in the distribution and use of the Territory's wealth and natural resources.

9. As previously reported, all of the political parties and groupings have experienced tensions and internal divisions. In 2005, RCPR founder and long-time leader, Jacques Lafleur, established a new anti-independence party, the Rassemblement pour la Calédonie (RPC). Meanwhile, in the run-up to the French parliamentary elections in June 2007 (see para. 14, below), both Rassemblement-UMP and AE had internal differences in designating candidates, and had dissident candidates run in the elections. An increase in tension between Rassemblement-UMP and AE was temporarily reversed through an agreement reached in the summer of 2007 with French backing, but by the autumn discord between the two parties had re-emerged.

10. AE proved unable to resolve the divisions within its own party and, following its candidates' failure to win seats in the legislative elections, split in two in October 2008. The President of the South Province, Philippe Gomes, established a new party called "Calédonie Ensemble". This new political party describes itself as anti-independence, open to dialogue, opposed to the self-determination referendum, for social cohesion and against racism.[7] According to Mr. Gomes, the party's priorities reflect the original principles of AE when it came into being in 2004.

11. Meanwhile, FLNKS, which had experienced tensions for years, tried to reinforce its internal cooperation during the legislative elections. This renewed unity of purpose was also visible when FLNKS held a summit in Nouméa in December 2007.[8] The appearance of the new Labour Party, however, has exposed divergences among the proponents of independence. The upcoming provincial elections in May 2009 are causing tensions anew within FLNKS, as the results of the elections are very likely to change the balance of power among the pro-independence parties.

12. Regarding French State institutions, New Caledonia participated in the French presidential elections of May 2007, won by Nicolas Sarkozy of France's Union pour un mouvement populaire party, who took 63 per cent of New Caledonia's vote.

13. In 2008, senator Simon Loueckhote (RPCR), who was re-elected in 2001, launched his own political party, called Le Mouvement de la Diversité. His term will end in 2011, at which time the elected representatives of New Caledonia will designate two senators (owing to the creation of an additional seat) each for a six-year term.

14. In June 2007, New Caledonia participated in the legislative elections for the French National Assembly, voting for the two seats set aside for New Caledonia in France's lower house, one for the first constituency, comprising the city of Nouméa and the Loyalty Islands Province, and one for the second constituency, comprising the North and South Provinces but excluding the city of Nouméa. As in 2002, the first round of voting on 10 June did not produce the required margins of victory, and a run-off vote was held one week later, on 17 June. The first vote yielded a result that saw both pro- and anti-independence candidates proceed to a second round in both constituencies, with the candidates put forward by Rassemblement-UMP and

[7] 13 October 2008, http://www.info.lnc.nc/articles/article_70484_229081.htm.

[8] Information provided by the administering Power, 9 January 2008.

FLNKS prevailing in both cases to move forward to the run-off vote. That outcome was widely attributed to the disarray in the anti-independence camp and the proliferation of candidates. Further details of the outcome of these elections can be found in the 2008 working paper A/AC.109/2008/9. In the second round, on 17 June, contested by the two Rassemblement-UMP and two FLNKS candidates, Rassemblement-UMP won in both cases, sending Mr. Pierre Frogier (incumbent) back to the French National Assembly representing the second constituency, joined by Mr. Gaël Yanno representing the first constituency. However, the FLNKS showing was considered notable, given the past tensions within the pro-independence movement.[9]

15. New Caledonia is governed by a 54-member Territorial Congress, a legislative body composed of members of the three provincial assemblies (15 from the North Province, 32 from the South Province and 7 from Loyalty Islands Province) elected for five-year terms. The present composition of Congress has AE holding 16 seats, RPCR also holding 16 seats, National Front 4 seats, and pro-independence parties the remaining 18 seats.[10]

16. The Government represents the executive power of New Caledonia and is headed by the President. It is elected by Congress and is responsible to it. It is composed of between 5 and 11 members, the exact number to be fixed by Congress prior to the election of the Government; since May 1999 it has consisted of 11 members. The Nouméa Accord stipulates that the Government is a collegial cabinet, which must proportionally reflect party representation in Congress. This ensures that it comprises more than one political party, thus fulfilling the "collegial government" required by the Nouméa Accord. The President is elected by majority vote of all government members.

17. On 23 July 2007, in the wake of the French Assembly elections and the setback experienced by the ruling AE party, Marie-Noëlle Thémereau of the AE party, President of New Caledonia since 2004, tendered her resignation. This in turn automatically triggered the resignation of all 11 members of the government of New Caledonia and resulted in the need for new elections. In August 2007, the Congress elected a new government of 11 members drawn from AE and R-UMP parties (7), and FLNKS (4). Harold Martin of Avenir Ensemble was sworn in as President. The Vice-President, Dewe Gorodey, a woman, is one of the four Kanaks represented in the Cabinet.

18. Administratively, the archipelago is divided into three provinces: South Province (provincial capital: Nouméa); North Province (provincial capital: Koné); and Loyalty Islands Province (provincial capital: Lifou). The President of each Provincial Assembly, drawn from the leading party, acts as the chief executive of the province. Members of the Assemblies are elected for five-year terms.

19. In keeping with the five-year election timetable, and following the 2004 elections (for details on those elections see A/AC.109/2005/13), the next Provincial Assemblies and Congress elections are due to be held in 2009. The provincial elections have been scheduled for 10 May 2009.

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[9] Radio New Zealand, 15 June 2007.

[10] Ministry of Foreign Affairs of New Zealand, http://www.mfat.govt.nz/Countries/Pacific/New-Caledonia.php.

20. The Nouméa Accord also provided for a parallel set of institutions designed to accommodate full political recognition of the Kanak identity. There are eight Customary Councils, each covering one of eight customary areas. In addition, there is a Territory-wide Customary Senate, comprising 16 members, two selected by each Customary Council, with a rotating presidency. The Customary Senate and the Councils are to be consulted by the executive and legislative organs of New Caledonia on matters that have to do directly with the Kanak identity.

21. The French State is represented in the Territory by a High Commissioner. The current High Commissioner, Yves Dassonville, was appointed on 26 October 2007. Political responsibility for New Caledonia lies with the French Minister for Overseas Departments and Territories, Michèle Alliot-Marie, and the new Secretary of State for Overseas, Yves Jégo, appointed on 18 March 2008.

22. While on official travel to New Caledonia in May and November 2008, Mr. Jego reaffirmed the State's commitment to implementing the Nouméa Accord. His clear message and the State's impartial action in New Caledonia went a long way towards reassuring the various New Caledonian political parties.

23. Following the Matignon Accords of 1988, the political and administrative structures of New Caledonia were further altered by the Nouméa Accord (A/AC.109/2114, annex) signed on 5 May 1998 between the Government of France, the pro-independence Front de libération national Kanak socialiste (FLNKS) and the anti-independence Rassemblement pour la Calédonie dans la République (RPCR). Under the terms of the Accord, the signatories opted for a negotiated consensual solution on political status, which they will submit together to the inhabitants of New Caledonia for a decision. The process is scheduled to end with a referendum between 2014 and 2018,[11] on a date to be decided by a three-fifths majority of the Congress of New Caledonia, when the Territory will address the question of the transfer of sovereign powers to New Caledonia, its access to the international status of full responsibility and the organization of citizenship by nationality.

24. In the meantime, the Accord commits France to transfer responsibility over all areas of government (except the "sovereign" powers of defence, justice, public order, money and some areas of external affairs) to New Caledonia's government, congress and provincial assemblies. France and New Caledonia share responsibility for mining regulations, higher education and research, broadcasting, air services, immigration, regional relations and some international relations. The gradual transfer of powers from France began in 2000 and is scheduled to end with the planned referendum.

25. A statement issued on behalf of French Prime Minister Fillon following a meeting of the signatories of the Nouméa Accord in December 2007 indicated that the transfer of the next set of powers was foreseen for 2009. A task force to help New Caledonia's working groups to prepare for the transfer of the next set of powers was established on 20 February 2008, in support of the 13 working groups set up in 2007, one for each of the powers to be transferred, under the auspices of the High Commissioner. The seventh meeting of the Committee of Signatories was held in a spirit of consensus in Paris on 15 December 2008. A detailed and unanimous agreement was reached on the transfer of powers to New Caledonia in

[11] http://www.lnc.nc, 14 October 2008; http://nouvellecaledonie.rfo.fr/article291.html, 14 October 2008.

2009, on the basis of the work carried out by the working groups and the support mission. The Committee has completed the second phase of the process by defining the parameters and terms for the transfer of powers as part of a pragmatic and progressive approach. The Organic Law of 1999 will be amended and protocols relating to assistance will be formally adopted prior to the provincial elections to be held in May 2009.

26. Some steps have been taken to fulfil the requirement contained in the 1998 Nouméa Accord of agreeing on identity symbols around which New Caledonia can unite. A public competition opened in December 2007 to find an anthem, motto and banknote design. Meanwhile, the question of the new name and flag was to be decided by an Identity Signs Steering Committee.[12] On 26 June 2008, the Government of New Caledonia, on the basis of the Steering Committee's proposals, adopted a draft country law (*loi du pays*) on the identity symbols to be adopted by the country in implementation of the Nouméa Accord. On 21 October 2008, the draft law on the anthem, motto and banknote design was accepted, with a view to submitting it to a vote in Congress.[13]

27. The text of the Nouméa Accord is contained in the 1999 working paper (A/AC.109/2114). In early March 2009, the territorial President and the French High Commissioner launched a public website, www.transfertsdecompetences.gouv.nc, to enable the people of New Caledonia to understand and keep abreast of the process.

B. External relations

28. The legal framework within which New Caledonia may establish external relations is governed by the Organic Law of 1999 (for details see A/AC.109/2005/13, para. 9). In that regard, the participants at the January 2002 meeting of the signatories of the Nouméa Accord agreed on the importance of developing trade and other relations with the major actors in the Pacific region, as well as with other island States, and of building on existing links with regional organizations. Another concern expressed was the need to establish better links with the European Union (EU), given its political, commercial and financial importance. Since 1998 when the Nouméa Accord was signed, New Caledonia has been gradually expanding its international and regional links.

29. New Caledonia has been an associated member of the Economic Commission for Asia and the Pacific (ESCAP) since 1992.

30. New Caledonia has continued to strengthen its ties with EU, within which it has the status of associated territory, a status conferred by the Treaty of Rome, which forms the basis for the EU's current development policy. In the framework of the tenth European Development Fund for the Overseas Countries and Territories covering the period 2008-2013, New Caledonia was projected to receive €19.81 million in EU development aid. In June 2008 the EU published a Green Paper on its future relations with its associated territories, in particular in view of the expiry of the EU's current Overseas Association Decision at the end of 2013. The paper

[12] Pacific Islands Report, Oceania Flash, 3 January 2008.

[13] http://www.lnc.nc/, 27 October 2008.

addresses a series of social, economic and environmental challenges and aims to obtain input from interested parties.[14]

31. In 2006, New Caledonia became an associate member of the Pacific Islands Forum, having been an observer since 1999. Addressing the 38th Summit of the Forum, held in Tonga on 16 October 2007, New Caledonia President Harold Martin reiterated the Territory's commitment to the Forum's Pacific Plan, focusing on the priorities of economic growth, sustainable development, good governance and the establishment of conditions conducive to institutional stability as a guarantor of peace and stability in the Pacific region.[15] The thirty-ninth meeting of the Forum, held in Niué from 19 to 21 August 2008, was attended by the delegation of New Caledonia. The delegation, headed by Harold Martin, who was accompanied by Dewe Gorodey, Vice-President of the Government of New Caledonia and in charge of culture, women's issues and customs affairs, as well as members of local government Maurice Ponga and Pierre Ngaiohni, reaffirmed its position as stated at the Forum's 2007 meeting.

32. Since 2007, observer status has been accorded to the Kanak people, represented by FLNKS, within the Melanesian Spearhead Group,[15] a subregional trade agreement which entered into effect on 22 July 1993.

33. New Caledonia is also a member of the Pacific Community, the Pacific's oldest regional organization, whose secretariat is headquartered in Nouméa. Among other Pacific regional arrangements in which New Caledonia is involved are the South Pacific Regional Environment Programme, the Pacific Islands Development Programme and the South Pacific Applied Geoscience Commission.

III. Socio-economic conditions

A. General

34. New Caledonia, with its considerable economic assets, ranks among the more affluent Pacific nations with a gross domestic product (GDP) per capita of 26,554 euros (€) in 2007[16] representing a growth rate of 4.6 per cent. As one of the world's largest nickel exporters the Territory's economic development is closely connected with the developments on the global nickel market. New Caledonia has more than 25 per cent of the world's known nickel resources. However, the price of nickel dropped during 2008 leading to cuts in production, and industry analysts expect that there could be further cutbacks in 2009 owing to the collapse in the price of nickel at the London Metal Exchange. In the January-August 2008 eight-month period, the price of nickel at the LME was down by nearly 32 per cent year-on-year, and as a result the value of New Caledonia's nickel-minerals and metal exports, its principal source of export earnings, fell by 69.5 per cent and 38.3 per cent respectively.[16] Only a negligible amount of the land is suitable for cultivation, and food accounts

[14] http://ec.europa.eu/development/icenter/repository/1_EN_ACT_part1_v8.pdf.

[15] 13 November 2008, http://sydney.indymedia.org.au/story/melanesian-spearhead-group-leaders-should-grant-observer-status-people-west-papua.

[16] Economist Intelligence Unit (EIU) country report on New Caledonia, http://www.eiu.com/report_dl.asp?issue_id=1813700766&mode=pdf.

for about 20 per cent of New Caledonia's imports. In addition to nickel, the substantial financial support from France and tourism are keystones of the economy.

35. New Caledonia's principal exports for 2007 were ferro-nickels, nickel ore, nickel and nickel products and fish and crustaceans. The main destinations for exports in 2007 were Japan, EU (excluding France), France, Taiwan Province of China and China. New Caledonia's principal imports in 2007 were electrical machinery, minerals including petroleum, vehicles and spare parts, and foodstuffs. The main sources of imports were France, EU excluding France, Singapore, Australia and China.

36. According to a territorial government spokesman, while New Caledonia's budget for 2009 was likely to record a shortfall as a result of decreased revenue from the nickel-mining sector, the general outlook for New Caledonia was nonetheless positive, given the decrease in the price of oil. The basic budget for 2009 has been estimated at 163 bn. French Pacific francs (CFPfr). New Caledonia remains heavily dependent on direct financial transfers from France, which are equivalent to around 30 per cent of GDP.

37. The 2009 budget, adopted by the Congress of New Caledonia in December 2008, totalled US$ 1.9 billion. This budget reflects a substantial drop in tax revenue (down 7.6 per cent from the 2008 budget), mainly owing to an expected decrease in tax revenue from the nickel industry.

38. The Territory suffers from long-standing structural imbalances between the economically dominant South Province and the considerably less developed North Province and Loyalty Islands Province. Therefore, in the context of the Matignon Accords of 1988 (see A/AC.109/1088, paras. 9-14) and the Nouméa Accord of 1998, many of the efforts by the Government of France and New Caledonian institutions in the past decade have been aimed at *rééquilibrage*; that is, redressing the balance among the three provinces in terms of infrastructure, social services and employment opportunities. Accordingly, 70 per cent of State assistance to the Territory is earmarked for the North Province and the Loyalty Islands, with the remaining 30 per cent for the South Province. In addition, the French State concludes multi-year development treaties with the local government communities (communes) in the Territory. The current batch of development contracts for the period 2006-2010 entered into force in March 2006. Funding provided by the administering Power, with a financial commitment of €393.4 million accounts for more than 50 per cent of the Territory's total projected spending of €777.7 million.[8]

39. According to information provided by the administering Power, the French State continues to offer fiscal incentives to encourage investment in its Overseas Territories, as well as specific tax arrangements aimed at strengthening New Caledonia's metallurgy and mining sectors, hotel industry, housing, transport sector and public service concessions.[9] However, this system of tax incentives is contested by the pro-independence movement, claiming that it increases the flow of immigration into New Caledonia.[17]

40. In November 2008, a French Government proposal was outlined whereby the pension supplement paid to civil servants who retire in France's overseas territories would be withdrawn. The proposal would reform the Indemnité temporaire de

[17] For statements by Mr. Julien Boanemoi and Mr. Rock Wamytan, see A/C.4/63/SR.5.

retraite (ITR) scheme, introduced in 1952 to encourage French civil servants to retire to the overseas territories by awarding them a pension up to 75 per cent higher than that which they would have earned in France. It is estimated that about 18 per cent of those on French State pensions will be affected by the reform, amounting to around 4,000 people in New Caledonia. The pension supplement will be phased out on a gradual basis over a 10-year period.[18]

41. The French Government has urged New Caledonia, along with other French territories in the Pacific to adopt the euro in place of the French Pacific franc (CFPfr). New Caledonia's anti-independence parties as well as the Territory's business sector are supporting the introduction of the euro, while the pro-independence parties assert that, under the provisions of the Nouméa Accord, currency matters are to be dealt with locally, and a switch to the euro would serve only to bind New Caledonia more closely to France.[18] The Congress is to hold a debate on this issue.

42. Owing to New Caledonia's dependence on the importation of many products, the cost of living in the Territory remains an issue of concern, particularly in view of the economic imbalances that exist within New Caledonia and the current global financial crisis. A survey in 2007 showed that housing rents had not only increased by up to 45 per cent between 2001 and 2006, but had in cases also reached the levels prevailing in parts of Paris.[19] Figures released in February 2009 showed that the value of property transactions has continued to rise despite a decline in the number of transactions. Another survey in late 2007 by the "UFC-Que Choisir" French consumer association revealed that on average the cost of living in the Territory was 72 per cent higher than in metropolitan France.[20] Consumer prices rose by 3.3 per cent year-on-year in October 2008 — the highest rate of inflation since September 2007.

B. Labour

43. According to information provided by the administering Power, the number of unemployed persons fell from 12,275 in 2003 to 7,923 in 2007, largely as a result of the increasing labour demands of the mineral industry. However, unemployment in October 2008 was up by 3.1 per cent year-on-year and stood at 6,390 people, with increases occurring mainly in the Loyalty Islands and in the Southern province, possibly related to the fall in nickel prices.[16] Meanwhile, regional disparities mentioned above remain visible in the labour market and have tended to deepen.[21] As previously reported (A/AC.109/2007/9), unemployment remains particularly high among the Kanaks, who have repeatedly called for a corrective law giving preference to local workers.

44. According to an estimate by the Institute for the Development of Skills in New Caledonia, unemployment had dropped from 12 per cent four years ago to 6.7 per cent during the first six months of 2008. Since the growth of the nickel mining

[18] *Les Nouvelles Calédoniennes*, 2 November 2007, www.info.lnc.nc; Economist Intelligence Unit, *Country Report* (November 2007).

[19] *Les Nouvelles Calédoniennes*, 21 September 2007, www.info.lnc.nc.

[20] *Pacific Magazine*, 8 January 2008, www.pacificmagazine.net.

[21] Information provided by the administering Power, 9 January 2008; *Les Nouvelles Calédoniennes*, 11 July 2007, www.info.lnc.nc.

industry was instrumental to fuelling job creation, opportunities in construction, public works and maintenance have been dominant, and since all those jobs were traditionally held by men, the number of unemployed women has been increasing. In addition, employment opportunities were also unevenly distributed across New Caledonia's three provinces, with around 90 per cent of jobs concentrated in the South Province. Commenting on the figures, a FLNKS spokesman said that a severe shortage of skills training in the North and Loyalty Islands provinces made it difficult for the inhabitants of those provinces to be able to actively contribute to economic development.[22]

45. Labour disputes are traditionally frequent in New Caledonia, leading to many hours of lost productivity owing to strikes and lockouts. In previous years, the number of social conflicts and the subsequent loss of working hours had risen considerably.

46. In 2008, steps taken to promote dialogue between labour and management and a decision by the representative of the French State to put an end to all illegal strikes by companies led to a reversal of the trend in labour disputes. According to preliminary statistics for 2008, the number of disputes dropped from 52 in 2007 to 48 in 2008; over that same period, the number of strike days fell from 799 to 249, the number of workdays lost, from 21,529 to 7,817, and the number of strikers, from 1,279 to 732. This improvement in labour relations has also strengthened the Territory's stability.

C. Mineral resources

47. New Caledonia's economy is dominated by the nickel industry. The Territory, which is the third largest nickel producer in the world after Russia and Canada, is estimated to hold at least 25 per cent of the world's nickel reserves[23] and accounts for 6 per cent of the world's nickel output, employing some 3,500 people in mining firms of varying sizes. Although this highly dynamic sector makes up to about 90 per cent of New Caledonia's exports and generates numerous related economic activities, it is fragile in that it is almost entirely dependent on international demand and nickel prices. For that reason, emphasis continues to be placed on the development of local metallurgical production, which creates more wealth, rather than on mineral exports.[8] The world market price for nickel continued to be volatile, falling as low as $10,000 per ton at the London Metal Exchange in October 2008, down from a high of $54,000 per ton in October 2007.[16] In August 2008, the territorial Government of New Caledonia announced that it would propose a framework for the development of mining resources, and subsequently, a draft mining law, which would both be conducive to a more coherent approach to the mining industry. Furthermore, these draft laws would emphasize the local processing of resources, preservation of the environment and protection of biodiversity.

48. There are currently three major projects related to nickel mining under way in the Territory, namely, those of Société Le Nickel, Xstrata and VALE (formerly Companhia Vale de Rio Doce). While it is hoped that these projects will lead to

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[22] 17 October 2008, http://www.radioaustralia.net.au/programguide/stories/200810/s2393283.htm.

[23] Economist Intelligence Unit (November 2007).

significant economic growth, they remain controversial for environmental and financial reasons. Meanwhile, the Kanaks have been critical that mining rights are being sold off cheaply, that the economic benefits are not flowing to the poorer areas of the Territory and that development will damage the local environment.

49. The first of the three projects is being developed by Société Le Nickel (the New Caledonian affiliate of the French State-owned company Eramet), expanding its Doniambo smelter to boost production from 60,000 tons to 75,000 tons per year. The renewed facilities were expected to become operational in early 2009, following the repair of the last furnace. However, production is expected to slow in 2009 owing to the bleak economic outlook for the industry and problems involving the supply of ore by mining centres. In February 2009, SLN, New Caledonia's largest private sector employer, indicated that production costs currently exceeded the sale price of nickel, and proposed a 10 per cent reduction in working hours, as well as the elimination of jobs through retirement and attrition.[24]

50. The second project under way is a joint venture between the Société Minière du Sud-Pacifique and the Canadian company Falconbridge Limited, acquired by the Swiss mining group Xstrata in 2006. The $3.8 billion project,[25] includes the construction of a smelter in the North Province to process nickel from the Koniambo mountains, expected to produce some 60,000 tons per year, creating 800 jobs directly and 2,000 indirectly. It is also at the heart of a major project to bring wealth and employment to the less developed North Province. With nickel production scheduled to begin in 2011, construction of residential and commercial buildings around the Koniambo site already started in 2004 in order to prepare for the population increase expected to occur when the mine opens. The preliminary excavation works and the construction of a port began in 2008, in accordance with the commitments made by Xstrata at the end of 2007.

51. The third project, a new nickel mine at Goro, South Province, is run by the Brazilian company VALE. The three provinces have each signed up to acquire a total stake of 10 per cent in Goro Nickel. These shares were originally held by the French Government's mining and geological research department. A shareholder agreement setting out the terms for the provinces' acquisition of capital in the Goro Nickel project was revised in September 2008 in order to facilitate the provinces' acquisition of a 10 per cent stake in the project and to give them the option of increasing that stake to 20 per cent in the future. From 2006 to 2008, the project suffered numerous setbacks, such as strikes, a legal dispute and ongoing protests by several activist groups (see A/AC.109/2007/9). In February 2008, Goro Nickel faced another setback when it embarked on the installation of a 21-kilometre long underwater pipe to carry liquid mining waste into the lagoon at the Havannah Channel. Installation of the pipe was resumed only in October 2008, following an evaluation financed by the French Government, in which experts confirmed that, as far as they knew, the discharge of liquid waste into the Channel would not significantly harm the marine environment. On the basis of the recommendations provided in the evaluation, the local authorities have demanded strict monitoring of the waste carried into the Channel, so as to be able to identify and address even the slightest impact. Production is now projected to begin in 2009.

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[24] http://www.rnzi.com/pages/news.php?op=read&id=44932.

[25] Economist Intelligence Unit (November 2007); *Les Nouvelles Calédoniennes*, 18 October 2007, www.info.lnc.nc.

52. VALE has signed with the local population, the large majority of which is Melanesian, an Agreement for the Sustainable Development of the Greater South, which meets the local population's expectations in terms of environmental protection, participation in the economic and industrial development of the region in which the mining project is located, and recognition of indigenous peoples. In addition to the Agreement, the authorities issued, in October 2008, "exploitation authorizations" for the project, which impose a number of environmental and technological restrictions, financial guarantees and the establishment of a strategy for the preservation of biodiversity. In parallel, the mining regulatory framework which is pending adoption will toughen restrictions on the mining industry, with a view to ensuring the sustainable development of resources and the preservation of the environment at mining sites. All these regulatory changes, together with the establishment of an Environment Observatory in southern New Caledonia, should resolve any concerns relative to the impact that new nickel projects will have on New Caledonia's pristine marine environment and coral reef system.

53. Furthermore, at the request of the local authorities, which was transmitted by the French Government, part of the 1,600-kilometre-long barrier reef has been inscribed on the UNESCO list of World Heritage Sites. The inscription, which was approved by the World Heritage Committee at its July 2008 session, applies to six geographical sites — essentially marine clusters — scattered throughout the provinces of New Caledonia and remote islands, covering a total area of 15,700 km^2 of lagoons, reefs and mangroves and accounting for nearly 60 per cent of the total surface area of the lagoons and associated ecosystems of New Caledonia. The lagoons of New Caledonia are regarded by scientists as having great research potential and are also a major tourist attraction; the authorities are therefore gradually adopting regulations for the protection of areas listed as World Heritage Sites.

54. Trade reports indicate that, in July 2008, the South Korean company Posco, the world's fourth largest steelmaker, received the approval of the Territorial Government to develop five nickel mines and to export nickel ore to South Korea over the next 30-year period.[26]

D. Tourism

55. Tourism constitutes an important sector of the Territory's economy, accounting for about 4 per cent of the territorial GDP and around 8 per cent of the employment. Most visitors come from France, Japan, Australia and New Zealand. Over the last years, tourist numbers and cruise arrivals have remained stable at just over 100,000 and 120,000 per year respectively.[27]

56. As previously reported, the Government of New Caledonia launched a strategic plan to revive the tourism industry in December 2005 aimed at increasing the number of tourists to 180,000 during the 2005-2015 decade. The plan consists of three phases to be implemented successively in 2006, 2008 and 2012, and designed to diversify tourist destinations other than the capital. The first phase involved a new marketing strategy and subsidized rental accommodation designed to attract an

[26] http://www.tradingmarkets.com/.site/news/Stock%20News/1737680/.

[27] ISEE, accessed 28 February 2009.

upscale clientele. The second phase, now under way, aims to increase hotel accommodations by 1,200 rooms, with a view to launching a new tourist image (New Caledonia now boasts 1,558 hotel rooms, compared to 1,446 in 2006). The final phase will attempt to consolidate New Caledonia's position in the international tourism market (see A/AC.109/2007/9).

57. A conference on the New Caledonian tourism industry and its development was held in Nouméa in May 2008. The current state of the industry was reviewed and a number of topics were covered, including the economic situation, the training of personnel, air access and promotional initiatives abroad. The possible launch of new airlines was also discussed. On that subject, the airline Air Calédonie International (Aircalin) considered that the opening of a new Nouméa-Paris air link via Seoul would help create a market for tourists from Korea and part of the Asian region. The goals announced at the opening of the route in late June 2008 were optimistic, with the prediction of the arrival in New Caledonia of 9,000 Korean tourists over the next three years. The opening of a new Nouméa-Paris air link via Sydney and Reunion Island by the company Air Austral was also announced at the conference. That route, which is to begin operating in April 2009, is expected to increase air service to and from Australia and to attract a new category of tourists from the Indian Ocean region.

58. As previously reported, the Territory has enhanced its cruise sector and has begun the renovation and upgrading of Nouméa's international airport, Tontouta, due to be finalized by early 2011.[28]

59. The designation by UNESCO of the lagoons of New Caledonia as a World Heritage Site could have a positive impact on New Caledonia's tourism industry.

60. New Caledonia is among a number of places in the Pacific region suffering from an outbreak of dengue fever. La Tontouta international airport has introduced automatic screening to ensure that arriving passengers are not carrying the virus, and holiday makers travelling to New Caledonia are being advised to take precautions. Health authorities have expressed concern about the speed at which the disease is spreading.

E. Other economic sectors

61. Other sectors that contribute to New Caledonia's GDP are public administration, commerce, services, construction and public works, small- and medium-scale industry and agriculture.

62. While the agriculture and fishery sectors represent a small fraction of GDP, they occupy a central place in New Caledonian society, employing some 30 per cent of the population, to some extent stemming the rural exodus. The prospect of lower-cost, large-scale farming developing still appears distant, but a growing number of farmers are engaging in eco-tourism in order to generate more income. Agricultural output is hampered by a number of factors, including a scarcity of arable land. Tropical cyclones have also taken their toll on crops during recent years and there remains a heavy reliance on imports to meet demand.

[28] *Les Nouvelles Calédoniennes*, 8 November 2008, www.info.lnc.nc.

63. Although fisheries are also underdeveloped, with commercial fishing accounting for only a third of the total catch, shrimp exports were New Caledonia's second largest export category in 2006, after nickel and nickel products, and shrimp exports to Japan and China are increasingly important to the economy. Despite the increase in shrimp production, falling market prices led to decreasing export revenues in 2006.

64. The construction sector has been healthy in recent years, and accounts for roughly 8.6 per cent of GDP, employing 9.6 per cent of the salaried population in 2006. Manufacturing remains small scale and is largely focused on the transformation of foodstuffs, textiles and plastics, with most consumer items being imported. Nevertheless, the sector accounts for approximately 13 per cent of GDP.[29] Many Kanaks work in cottage industries producing arts and crafts for the tourist trade.[30]

IV. Consideration of the question by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

65. At its 11th meeting, held on 23 June 2008 (see A/AC.109/2008/SR.11), the Special Committee on decolonization adopted a draft resolution, introduced by Papua New Guinea, also on behalf of Fiji (see A/AC.109/2008/L.13).

B. Special Political and Decolonization Committee (Fourth Committee)

66. At its 5th meeting, held on 9 October 2008, the Fourth Committee was addressed by two Kanak petitioners.[17] Subsequently, at its 7th meeting, held on 13 October 2008, the Fourth Committee adopted draft resolution IV on the question of New Caledonia.[31]

67. Julien Boanemoi, Senator in the Customary Senate of Ajie-Aro, stressed that the Kanak people were being marginalized despite the 1998 Nouméa Accord. Despite promises made during the signing of the Accord, incessant migratory flows were overwhelming the Kanak and making their goal of independence impossible. Rock Wamytan, Kanak Socialist Front for National Liberation and Senate President, said that while some economic benefit could be derived from the work of foreign mining companies in the Territory, the impact on the environment was costly and the Kanak people did not currently have sufficient environmental oversight in the Territory. Both petitioners called for a mission to New Caledonia by the Special Committee of 24, while one proposed that the body's next regional seminar be held there.

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[29] New Zealand Foreign Ministry website.

[30] Economist Intelligence Unit (accessed 28 February 2009).

[31] See *Official Records of the General Assembly, Sixty-third Session, Supplement No. 23*, chap. XII, pp. 59-61.

C. Action taken by the General Assembly

68. At its 64th plenary meeting, on 5 December 2008, the General Assembly adopted, without a vote, resolution 63/106 on the question of New Caledonia on the basis of the report of the Special Committee transmitted to the General Assembly[31] and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee).[32] Under that section's operative paragraphs, the General Assembly:

1. *Welcomes* the significant developments that have taken place in New Caledonia since the signing of the Nouméa Accord of 5 May 1998 by the representatives of New Caledonia and the Government of France;

2. *Urges* all the parties involved, in the interest of all the people of New Caledonia, to maintain, in the framework of the Nouméa Accord, their dialogue in a spirit of harmony;

3. *Notes* the relevant provisions of the Nouméa Accord aimed at taking more broadly into account the Kanak identity in the political and social organization of New Caledonia, and welcomes, in this context, efforts under way towards jointly devising identity symbols for the Territory, such as name, flag, anthem, motto and banknotes, as required under the Nouméa Accord;

4. *Acknowledges* those provisions of the Nouméa Accord relating to control of immigration and protection of local employment, and notes that unemployment remains high among Kanaks and that recruitment of foreign mine workers continues;

5. *Notes* the concerns expressed by a group of indigenous people in New Caledonia regarding their underrepresentation in the Territory's governmental and social structures;

6. *Takes note* of the relevant provisions of the Nouméa Accord to the effect that New Caledonia may become a member or associate member of certain international organizations, such as international organizations in the Pacific region, the United Nations, the United Nations Educational, Scientific and Cultural Organization and the International Labour Organization, according to their regulations;

7. *Notes* the agreement between the signatories to the Nouméa Accord that the progress made in the emancipation process shall be brought to the attention of the United Nations;

8. *Recalls* the fact that the administering Power invited to New Caledonia, at the time the new institutions were established, a mission of information which comprised representatives of countries of the Pacific region;

9. *Notes* the continuing strengthening of ties between New Caledonia and both the European Union and the European Development Fund in such areas as economic and trade cooperation, the environment, climate change and financial services;

[32] A/63/408.

10. *Calls upon* the administering Power to continue to transmit to the Secretary-General information as required under Article 73 *e* of the Charter of the United Nations;

11. *Invites* all the parties involved to continue promoting a framework for the peaceful progress of the Territory towards an act of self-determination in which all options are open and which would safeguard the rights of all sectors of the population, according to the letter and the spirit of the Nouméa Accord, which is based on the principle that it is for the populations of New Caledonia to choose how to control their destiny;

12. *Recalls with satisfaction* the efforts of the French authorities to resolve the question of voter registration by adopting, in the French Congress of Parliament, on 19 February 2007, amendments to the French Constitution allowing New Caledonia to restrict eligibility to vote in local polls to those voters registered on the 1998 electoral rolls when the Nouméa Accord was signed, thus ensuring strong representation of the Kanak population;

13. *Welcomes* all measures taken to strengthen and diversify the New Caledonian economy in all fields, and encourages further such measures in accordance with the spirit of the Matignon and Nouméa Accords;

14. *Also welcomes* the importance attached by the parties to the Matignon and Nouméa Accords to greater progress in housing, employment, training, education and health care in New Caledonia;

15. *Notes* the financial assistance rendered by the Government of France to the Territory in areas such as health, education, payment of public-service salaries and funding development schemes;

16. *Acknowledges* the contribution of the Melanesian Cultural Centre to the protection of the indigenous Kanak culture of New Caledonia;

17. *Notes* the positive initiatives aimed at protecting the natural environment of New Caledonia, including the "Zonéco" operation designed to map and evaluate marine resources within the economic zone of New Caledonia;

18. *Welcomes* the cooperation among Australia, France and New Zealand in terms of surveillance of fishing zones, in accordance with the wishes expressed by France during the France-Oceania Summits in July 2003 and June 2006;

19. *Acknowledges* the close links between New Caledonia and the peoples of the South Pacific and the positive actions being taken by the French and territorial authorities to facilitate the further development of those links, including the development of closer relations with the countries members of the Pacific Islands Forum;

20. *Welcomes*, in this regard, the participation of New Caledonia in the Pacific Islands Forum, following its accession to the Forum as associate member in October 2006, at the 37th Summit of the Forum;

21. *Also welcomes* the continuing high-level visits to New Caledonia by delegations from countries of the Pacific region and high-level visits by delegations from New Caledonia to countries members of the Pacific Islands Forum;

22. *Further welcomes* the cooperative attitude of other States and Territories in the region towards New Caledonia, its economic and political aspirations and its increasing participation in regional and international affairs;

23. *Recalls* the endorsement of the report of the Forum Ministerial Committee on New Caledonia by leaders of the Pacific Islands Forum at its 36th Summit, held in Papua New Guinea in October 2005, and the continuing role of the Forum Ministerial Committee in monitoring developments in the Territory and encouraging closer regional engagements;

24. *Decides* to keep under continuous review the process unfolding in New Caledonia as a result of the signing of the Nouméa Accord;

25. *Requests* the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples to continue the examination of the question of the Non-Self-Governing Territory of New Caledonia and to report thereon to the General Assembly at its sixty-fourth session.